

CANADA (PROV.) LEGISLATIVE ASSEMBLY  
An Act...

Canadian  
pamphlets

*Repealed*

[No. 98.]

3rd Session, 8th Parliament, 28 Victoria, 1865.

[PRIVATE BILL.]

An Act for the relief of the Ottawa and  
Prescott Railway Company, and for  
ensuring the efficient working of its  
Railway, and for other purposes.

Received and read first time Friday, 2nd  
February, 1865.

Second reading, Monday, 6th February, 1865.

Hon. Mr. Rose.

Printed by G. E. Dechauris.

An Act for the relief of the Ottawa and Prescott Railway Company and for ensuring the efficient working of its Railway and for other purposes.

WHEREAS the interest on the bonds issued under the first mortgage and the interest on the second and third mortgages made by the Ottawa and Prescott Railway Company is in arrear, and the Company has also become otherwise deeply indebted and several of the creditors have obtained judgment against it, and the Railway is in the hands of a Receiver appointed by the Court of Chancery for Upper Canada at the instance and for the protection of certain of its bondholders; and whereas the said Railway is out of repair; and whereas the keeping open of the Railway for traffic, which is of the utmost importance to the interests of this Province, is by reason of the premises imperilled; and whereas the holders of over eighty per cent of the bond, mortgage and share capital of the said Company desire the reorganization of the affairs of the Company, with the view to secure the uninterrupted working of the said Railway: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

1. From and after the passing of this Act all rights of action and remedies upon and in respect of liabilities of the Company for arrears of interest, and all other the debts and liabilities of the Company, and all or any judgments, decrees or orders upon or being part of the same, shall cease and be barred and extinguished, and no proceeding upon or in respect of any such liabilities, debts, judgments, decrees or orders, or any judgment, decree or order, founded thereon shall be available against any property, moneys or effects of the Company, and from and after the first election of Directors under this Act, the appointment of the Receiver now in charge of the said Railway shall be vacated and the suit in which he was appointed shall be no further prosecuted;

2. The receipts of the Ottawa and Prescott Railway after paying working expenses shall be applied in putting the bridges in a safe state and otherwise placing the line in a safe condition.

3. The priorities of parties holding securities upon the Railway of the Ottawa and Prescott Railway Company shall be as follows: the first mortgage shall be made up at the rate of interest payable on the Bonds issued under said first

*Executed & Signed as  
by the Receiver  
Her Majesty's Receiver*

*achieved barred*

*app. to receipts - V.  
Bridges & line*

*Prescott*

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1st Mort: 1 Int.  
Sec: of Rev. P.

mortgage computing from the date from which said bonds bear interest to the date of the capitalization hereinafter mentioned, and this interest shall be added to the amount of said mortgage: The amount paid the parties holding the first mortgage bonds on account of interest, in stock, and also the amount of the several cash payments made to the same parties with interest on each from the time each of the said payments was made up to the date of the capitalization hereinafter mentioned shall be deducted from the amount of said Mortgage and interest as aforesaid and the balance or remainder after making said deduction shall be the amount charged upon the said Railway under said first Mortgage.

2nd Ottawa & Prescott

The principal of the said second Mortgage held by the Corporation of Ottawa and the Corporation of the Town of Prescott shall be taken to be and shall be the second charge upon said Railway.

3rd Gen. T.

The principal of the said third mortgage upon the Railway held by the Grand Trunk Railway Company of Canada, shall constitute the third charge.

4 Capitalized to 30th June 66

4. The interest upon all the three mortgages shall be capitalized up to the thirtieth day of June in the year of our Lord one thousand eight hundred and sixty-six, or to such date as the net receipts shall have paid for the repairs and renewals and change of gauge.

5 Int: on 1st Mort: by 1st Bonds

5. The arrears of interest upon the first mortgage shall be capitalized by the Bonds of the Ottawa and Prescott Railway Company of equal value and priority, and bearing the same rate of interest as the Bonds under the said original first mortgage.

6 On 2nd & 3rd by Ref: 2nd Mort

6. The interest upon the second and third mortgages shall be capitalized up to the same date by the issue of preference shares in the Ottawa and Prescott Railway Company, and the interest upon the second mortgage shall for the purposes of capitalization and thereafter be fixed at six per cent. instead of eight per cent per annum.

7 All debts - same as 2nd & 3rd Mort by Prop: Incr.

7. The debts existing upon the Ottawa and Prescott Railway except those for current wages or stores shall be paid by the issue of preference shares at such rate per cent as may hereafter be agreed upon.

8 - Other debts Const.

8. Any debts contracted since the appointment of the present Receiver for working expenses as hereinafter defined, shall be paid in cash and in full.

9. Bond not Earnings to repair

9. The necessary expenses of putting the road and bridges in a secure state including new ties, and the like, and the altering of the gauge shall be paid out of the first net earnings of the

(24 1/2 years)

Railway and as soon as these necessary works are completed and the gauge altered the earnings shall be applied strictly in accordance with clause twelve of this Act.

10. The Directors shall, as soon as practicable after the passing of this Act, take all necessary and proper measures for giving effect to the provisions of this Act as to capitalizing the interest on the said first mortgage bonds and giving further first mortgage bonds therefor; and as to the issuing and giving certificates of preferential stock in satisfaction of the interest due on the second and third mortgages, and of the debts and liabilities herein mentioned, and for the giving of due notice by advertisement of the time and place of effecting the premises.

*Directions to be made*

11. The Directors may allot and issue the said preferential stock without any of the formalities hitherto required by any Act relating to the said Company, and without reference to the amount of ordinary or preference shares already issued and the said preferential stock so to be issued shall rank with the preferential shares already issued; and all preferential shares already issued, whether to creditors in satisfaction of interest, or subscribed for and taken otherwise, shall be deemed and taken to be the lawful preferential stock of the Company entitled to precedence over the ordinary stock in the division of profits as hereinafter provided; and such preference stock shall be in shares of ten pounds currency each.

*George Shaw to issue Pref. Stock*

12. The earnings of the Company after deduction of the above mentioned outlay and cost of repair above referred to, and of working expenses as in this Act defined shall in each half year ending the thirtieth day of June and the thirty-first day of December commencing from the half year ending on the thirtieth day of June one thousand eight hundred and sixty-six, or at such time as the net receipts shall have paid for the repairs and renewals aforesaid, and the said change of gauge, be apportioned and applied in the order and manner following:

*Net Earnings*

1. In payment rateably and *pari passu* of the interest for the time being due on the first mortgage bonds, such first mortgage bonds being as well those already created to the amount of one hundred thousand pounds sterling as the bonds to be issued for the capitalization of interest thereon under the provisions of this Act.

*Interest per Bond*

2. In the formation of a sinking fund for redeeming those bonds, such sinking fund not to exceed two per cent per annum on the principal amount of such bonds.

*2 1/2 cent sinking fund*

3. In payment of the interest for the time being due, on the mortgage given by the said Company to the Town Council

*3 - R & P. Bond/1870*

*3 years*

4  
of the Town of Bytown and the Town Council of the Town of Prescott.

4 on P.S. mpty.

4. In payment of the interest for the time being due on the mortgage given by the said Company to the Grand Trunk Railway Company of Canada or for their benefit.

5. Pref. Stock

5. In payment of a dividend for the time being on the preferential stock at the rate of six per cent per annum.

6 ord. Stock

6. In payment of a dividend for the time being on the ordinary stock of the Company.

Working Expenses

13. The expression "Working Expenses," when used in this Act shall mean and include all expenses of maintenance and renewal of the Railway and of the stations, buildings, wharves, works and conveniences belonging thereto, and of the purchase of rolling and other stock and moveable plant used in the working thereof; And also all such rents or annual sums as may be paid in respect of any lands, warehouses wharves or other property leased to or held by the company, or in respect of the hire of engines, carriages, or waggons, let to the company, rent, charges or interest on lands belonging to the Company purchased but not paid for, or fully paid for; and also all expenses of and incident to, working the Railway, and the traffic thereon, including stores and consumable articles; also rates, taxes, insurances, and compensation for accidents or losses; Also all salaries and wages of persons employed in and about the working of the railway and traffic; and all secretarial and establishment expenses, including Directors fees, agency, legal and other like expenses, including the expenses of this Act, and attending the same and generally all such charges, if any, not above otherwise specified (and no other,) as in the case of English Railway Companies are usually carried to the debit of revenue, as distinguished from capital account.

Vote for each share

14. All parties, shareholders in the said Company, shall, at all meetings, whether for the election of Directors or for any other purpose, be entitled to one vote for every share of ordinary or preferential stock held by them; and all proprietors or holders of the said first mortgage bonds, as well those originally created, as those to be issued in capitalizing the interest thereon shall have the same right of voting at all such meetings, and in the election of Directors, as if they were stockholders to an amount equal to the amount of the bond or bonds, held by them; each ten pounds currency in such last named amount, whether such amount shall be in sterling, currency or dollars, entitling the proprietor or holder to one vote; and such proprietors or holders of bonds may vote either in person or by proxy at all such meetings.

Bonds & Vote

15. No votes shall be received in respect of any bonds, unless the same shall have been noted, or registered by the Secretary, Treasurer, or some other duly authorized Officer of the Company at its head office in Ottawa, at least one week prior to the meeting at which such votes are offered in the name of the person or persons by whom, or by proxy for whom, such votes shall be tendered; and all such bonds payable to the bearer may be so noted, or registered, in the name of the bearer thereof on production; or at his request, in the name of any other person, alleged by him to be the proprietor; and a list of the names of the persons entitled to vote on the said bonds so noted or registered with the number of votes each is entitled to, shall be prepared by the said Company, and laid before the shareholders at each annual general meeting, before the election of Directors.

*Rept of Bonds*

15 16. The proxy for a holder of bonds may be *mutatis mutandis* in the same form or as near thereto as may be, as that for a shareholder,—but no shareholder or bondholder shall be entitled to vote at any meeting by proxy, unless the instrument appointing such proxy shall have been transmitted to, or lodged with, the Treasurer, Secretary, or acting Secretary of the Company at least forty-eight hours before the time for holding the meeting at which such proxy is to be used.

*Prox to be lodged*

17. The next general meeting of the said Company, for the election of Directors and other business, shall be held within three months after the passing of this Act; and thereafter the annual general meetings shall be held in the month of March in each year; and the Directors shall from time to time fix the day, place and hour for all such meetings, and give notice thereof in the *Canada Gazette*, and in one newspaper in each of the Counties of Carleton and Grenville, at least fourteen days, and in one newspaper published in London, England, at least thirty days before the time appointed; and no other notice of any such meetings shall be required; and any such meeting may be adjourned from time to time.

*Where*

18. The present Directors of the Company shall remain in Office until the first general meeting of the Company after the passing of this Act, and shall then go out of Office; and thereafter the business and affairs of the Company shall be managed by eight Directors, five of whom shall be chosen by the Shareholders and Bondholders, one by the City of Ottawa, one by the Corporation of the Township of Oxford,—the said corporation being Shareholders,—and one by the Town of Prescott, but the said three Corporations having each one Director as aforesaid, shall have no right to vote in the Election of the said five Directors, so to be chosen by the Shareholders and Bondholders as aforesaid.

*5-Direct: Shareholders*

*1 Oxford*

*1 Prescott*

*1 Ottawa*



*Indrum*  
✓  
*See Proxy*  
✓

19. For the transaction of business five Directors shall be a quorum; provided always that three of such five, are Directors elected by the Shareholders and Bondholders as hereinbefore provided.

20. Any Director or Directors of the said Company whether resident in this province or elsewhere, may appoint any other Director of the Company to vote and act for him by proxy at all and any meetings of the Directors; but no one Director shall hold more than two proxies---and such proxies may be in the following form : 5 10

" I, \_\_\_\_\_, a Director of the Ottawa and Prescott Railway Company, do hereby appoint \_\_\_\_\_ also a Director of the said Company, my proxy, for me, and in my name to vote and act, at all and any meetings of the Directors of the said Ottawa and Prescott Railway Company. 15

" Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 18 \_\_\_\_ "

*Office London.*  
✓

21. It shall be lawful for the Company to open and establish in London, England, an Office for the registration transfer, and issue of its shares and bonds.

*See Shareholders*  
✓

22. And whereas the Directors have prepared and sealed a list of all the Shareholders, with the number of shares each is entitled to, in order that disputes may be avoided, it is hereby enacted that the said list so made and sealed, shall be deemed and taken to be a complete list of the Shareholders of the Company up to, and at the time of the sealing thereof; and all persons therein named shall be deemed and taken to be Shareholders of the Company for the number of shares therein mentioned, and entitled to all the rights, and subject to all the liabilities of Shareholders, saving the rights of the Company to forfeit any such shares for unpaid calls, or to take proceedings for the recovery thereof. 25 30

*See Lands*  
✓

23. The said Company may sell, or give in exchange for other lands or property, any surplus lands not forming part of their Railway, or required for the use or working thereof; and may grant good and sufficient deeds and conveyances thereof; and shall apply any money or other proceeds raised, in payment of any amounts due to land owners for right of way, or in the acquisition of other lands or property required by the Company.

24. In carrying out and giving effect to the provisions of this Act the Directors may by Resolution of the Board exercise the powers by this Act vested in them and such resolution shall have the same effect as a by-law. 40

**25.** So much of all and every the Acts relating to the said Company, and of all other Acts as may be inconsistent with this Act, shall be, and the same are hereby repealed.

**26.** In this Act where reference is made to the Railway or to the present property of the said Ottawa and Prescott Railway Company, this Act in all such cases shall be taken and held to affect and apply only to the property now owned by the said Company; and where the ownership is disputed or the priority of parties claiming to have security thereon is disputed, this Act shall not affect or prejudice the legal rights of either party to the property, the title to which or on which the priority of the security is so disputed.

**27.** This Act shall be deemed a Public Act, and the Interpretation Act shall apply to it, in so far as is non inconsistent with the provision of this Act.